



**Minutes of
The City of Yonkers Industrial Development Agency
Regular Board of Directors Meeting
November 23, 2020 at 2:00 p.m.**

Because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo's Executive Order 220.1 issued on March 12, 2020 suspending the Open Meetings Law, the Yonkers IDA Board Meeting scheduled for November 23, 2020 will be held electronically via conference call instead of a public meeting open for the public to attend in person. Members of the public may listen to the board meeting by calling into:

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BEFORE:

Mayor Mike Spano – Chairman (running late)
Peter Kischak – Vice Chairman
Melissa Nacerino – Treasurer
Cecile D. Singer – Member
Henry Djonbalaj – Member
Roberto Espiritu – Member
Marlyn Anderson - Secretary

IDA STAFF:

Jaime McGill – Executive Director
Siby Oommen – Chief Fiscal Officer
Fiona Rodriguez – Administrative Assistant
Samantha Young – Bookkeeper

OTHERS:

Michael Curti, Esq. - Harris Beach PLLC, Transaction Counsel
Deputy Mayor Jim Cavanaugh – City of Yonkers
Jason Bordainick – Hudson Valley Property Group
James Chang – Hudson Valley Property Group
Alexandra Coleman – Hudson Valley Property Group
Frank Badalato – City of Yonkers

MS. MCGILL: Pete. Do we have you here? Pete you just need to unmute so you're going to chair the meeting and the Mayor's absence. He's going to be joining us a little bit later.

DEPUTY MAYOR CAVANAUGH: Pete, you're on mute. We can't hear you.

MR. KISCHAK: How about now? Can you hear me now?

MS. MCGILL: Yep. Okay, so I'll do a roll call. Mayor Mike Spano is joining us later. Peter Kischak?

MR. KISCHAK: Here.

MS. MCGILL: Marlyn Anderson?

MS. ANDERSON: Here.

MS. MCGILL: Melissa Nacerino?

MS. NACERINO: Here.

MS. MCGILL: Cecile Singer?

MS. SINGER: Here.

MS. MCGILL: Henry Djonbalaj?

MR. DJONBALAJ: Here.

MS. MCGILL: And Roberto Espiritu?

MR. ESPIRITU? Here.

MS. MCGILL: Okay, Vice Chair we have a quorum.

MR. KISCHAK: Thank you. Jaime, you want to read it off? I don't have the paperwork in front of me.

MS. MCGILL: Sure, I'll go through the agenda, the first- the first item on the agenda is the minutes for the October 28th 2020 meeting.

MR. KISCHAK: Okay. Do we have...any make a motion on that?

MS. NACERINO: I'll make a motion.

MS. SINGER: I second the motion

MR. KISCHAK: Cecile and Melissa. Alrght, Jamie.

MS. MCGILL: Okay, next item are the financials for October 2020. For the month of October we receive \$10,000 and is our cash on hand is \$2.85 million and as always, we have our accountant on hand. If you have any questions.

MR. DJONBALAJ: Make a motion to accept.

MR. KISCHAK: Alright, Henry.

MS. SINGER: Second.

MR. KISCHAK: And Cecile second.

MS. MCGILL: Okay. The next item and only item resolution for consideration. It's an inducement resolution for Jackson Terrace Preservation LLC. Mike Curti is transaction council and will represent the project. We do have Jason Bordainick from Hudson Valley Property Group. They do have a presentation that we're going to put on the screen to present.

MR. CURTI, ESQ.: Alright, thank you Jamie and good morning Vice Chairman and members of the board. Michael Curti, transaction council for the Agency, Harris Beach. This project dates back some number of years in 2004 the Agency issued bonds in the amount of approximately \$16 million to the present owner of the building to finance approximately \$6 million worth of improvements to the facility. Now fast forward 15 to 16 years later and Hudson Valley Property Group which many of you will recall acquired the Parkledge Apartments back in 2019

Is looking to acquire the building. The project has a couple of moving parts to it. One is an assignment and defeasance of the existing bonds, which will be paid at closing. Second is the actual assignments of the documents themselves and third is a new financial assistance component, the applicant is looking for about \$1.5 million worth of benefits. In terms of sales tax, and then also mortgage recording tax exemption for the debt it will be incurring in order to make the acquisition. At this point in time, I'll turn it over to Hudson Valley Property Group to touch a little bit about the project and if there's any questions following that presentation, I'm happy to answer them. Thank you.

MR. BORDAINICK: Sorry, I was on mute there. Thanks. Thanks for the intro and good to see everyone this morning and yeah, so I'm co-founder managing partner of Hudson Valley. You may remember me from presentation when we presented Parkledge, which was another Preservation project that we're doing in Yonkers, we're a firm based in New York City and actually started in the Hudson Valley. My partner and I we're..are from Rockland County and that's where our business started we've been doing projects in and around the area with a focus on preserving and improving upon the quality of affordable housing and you'll notice once we kind of do one project in an area it's something that usually is the beginning of many others and making additional investments and we view ourselves as partners to the cities that we work in and to the communities that we operate in. So we look forward to this being a second of others that we potentially could do in the area. But yeah, just a little bit, you know, we're, you know, based in New York City. We have a portfolio about 5,500 apartment units and you know all affordable housing and all

projects that have a business plan of keeping the tenants in there and improving upon the housing and the amenities and the services being provided and really taken a lot of pride in the work that we do on authentic Yonkers the expansion. We have in Yonkers is through you know with Parkledge, which is wrapping up the construction now and it's, you know, I think that project is going well. This property tax Jackson Terrace is one that will be very similar in many ways to what we're doing with Parkledges that we are going to be using our preservation fund, which is a pool of capital to preserve properties like Jackson Terrace, where we come in we acquire improvements, but ensure that it stays quality, affordable housing for many years to come. We work on getting, you know, the half contract extended and working to put in a, you know, an ongoing plan to keep it at a high standard. The project here....

MS. COLEMAN: Your next slide is the project summary. Sorry to interrupt.

MR. BORDAINICK: oh, sorry. Yeah, so going yeah going through the presentation. So, we are going to be planning to come in and assume the existing PILOT that's on the property. We have a plan scope of work that is based off of you know, we did a capital needs assessment and we walked the property within a very thorough review of what work is going to be done in front of what needs to be done over time. The key items are, we're going to be doing energy saving measures, including lighting upgrades in the units and common areas. You know, building roof upgrades with additional installation of new low flow toilets and shower heads in units. New air raiders, faucets for kitchen bathrooms and the units of common areas, there's going to also be an installation of new state of the art high efficiency boilers and also there's additional you know site work instruction improvements that we're going to making to the property. It's an approximate one and a half million dollar renovation and you know, that's a little bit about the project. Happy to answer additional questions, but you know we're excited to be doing. Doing our second project here with the city and hopefully, hopefully it's an even better success in the first

MS. SINGER: I have a question.

MR. BORDAINICK: Sure.

MS. SINGER: Over what period of time, will this be done?

MR. BORDAINICK: I don't know if Jamie, I think we usually have we would close on this before the end of the year, and usually a renovation plan is within 12 months. For completing all the work, and anyone any member of my team can comment if we shorten that even further, but it's usually about within 12 months.

MS. SINGER: Right and then when you've completed this. Do you have a structure that proposes reinvestment over a period of time to keep all of these things up to a standard?

MR. BORDAINICK: Yeah, absolutely. So what we do is, and it's a very thoughtful process we go through and do a full unit by unit walkthrough. We've already done that. And we've gone in and put together really what the needs are usually over about a 10 year period and so we'll do you know work up front, which is what I spoke about, but then we'll build in reserves. So there's ongoing repair maintenance. It's in the budget, but beyond that. We also build in reserves for work that is expected over that 10 year period and that's all taken into account in our budgets, you know, you don't always know when things are going to need to be replaced but we adequately budget for it up front so that these, you know, stay at a very high level and hopefully continue to improve actually over time that that is definitely part of our plan.

MS. SINGER: Thank you.

MR. KISCHAK: I have a question. Do you have any sort of a plan for using any kind of solar energy on the roof?

MR. BORDAINICK: This solar is not a part of the plan. We usually do a feasibility of that and that was not something that came back as being a feasible invest kind of project for this for this property, but we have other energy improvements that did that did make sense based on You know what systems were in place and we have an energy... we have a third party firm that does this on our behalf and so you know, there they usually go through and based on each property has his own you know energy usage and opportunities for improvements and things that are feasible. And so what came back what from that reporter has informed our scope but solar is not solar is not one of them but we have several other energy efficient measures.

MS. ANDERSON: Are there some increases in the rent because of the renovations that you guys are making an improvement to the building?

MR. BORDAINICK: No. Well, so nothing to the rest of the residents, so these are project based section eight and there's some voucher. So the, the current owner had gotten a rent increase that we're going to be stepping into the existing half contract. There are vouchers through local administrators that we would be potentially getting adjusted to the full payment standard, but that the residents are not getting any increase they pay 30% of their income. So whatever their if their income has gone up their contribution goes up, but it's based off of their income and so if there are increases, it's really based off of getting the voucher the subsidy amounts paid from the local administrators to the full standard and that's yeah, so that's how to think about it.

MR. CURTI, ESQ.: This is Mike Curti, one other thing I'd like the board to consider here is as part of the transaction. There's an agreement with the City and I recognize this isn't a matter that the board is going to vote on. But I thought it's important for you to know about it.

Whereby the last, there was a payment obligation of not the current owner, but the previous owner to the current owner and that obligation was to pay \$3 million to the City in the event there was ever a transfer or sale. The property, the seller at the time the city and the incoming seller agreed to defer this \$3 million payment in exchange for \$6 million of improvements that are going to be made. Utilizing the proceeds or some of the proceeds of the bond that was issued by the Agency. This time around, again, the seller has requested that the City transfer the obligation to the new seller to the new buyer rather and there is a resolution that's pending before the City Council at this point in time to permit that to happen in exchange for a couple of things. One is that that payment obligation continues without reduction and also that there's a \$1 million payment made to the City by the seller I'll also note that the incoming buyer is looking to make one and a half million dollars of improvements and the seller has also made approximately \$2 million worth of improvements beyond the six and a half million dollars that they committed some time ago. So there's quite a bit there in terms of consideration for the City and City Council will be considering that shortly.

MAYOR SPANO: Okay, are there any questions? Alright hearing no questions, I got on the call late. Is this a vote?

MS. MCGILL: This is a vote, yes.

MAYOR SPANO: Alright, so hearing no questions
. Somebody want to make a motion?

MS. SINGER: I make a motion to accept as submitted.

MAYOR SPANO: Great Cecile's made a motion. Seconded by?

MS. NACERINO: Second.

MAYOR SPANO: Seconded by Melissa. All in favor?

ALL BOARD MEMBERS: Chorus of ayes.

MAYOR SPANO: Any negatives? Hearing none, the item is passed. Thank you. Jaime?

MS. MCGILL: Thank you. I have no legal updates. I don't know if Curti has anything?

MR. CURTI, ESQ.: No legal updates. Thank you.

MAYOR SPANO: No legal updates. Any new business for anyone? Old business new business? No business? So we want to make a motion we adjourn? Henry?

MR. DJONBALAJ: I make a motion.

MAYOR SPANO: Henry's made a motion. Seconded by Pete. All in favor?

ALL BOARD MEMBERS: Chorus of ayes.

MAYOR SPANO: We're adjourned. Thank you.

MS MGILL: I want to remind everyone, we're going to stay on this call and roll into our YEDC meeting which should be very quick.

MR. BORDAINICK: Well, thank you, everyone. I hope everyone has a safe and unhealthy Thanksgiving coming up here.

MS. MCGILL: Thank you.

MAYOR SPANO: Jason. Thank you.

MR. DJONBALAJ: Thanks, everyone.

(Adjournment)